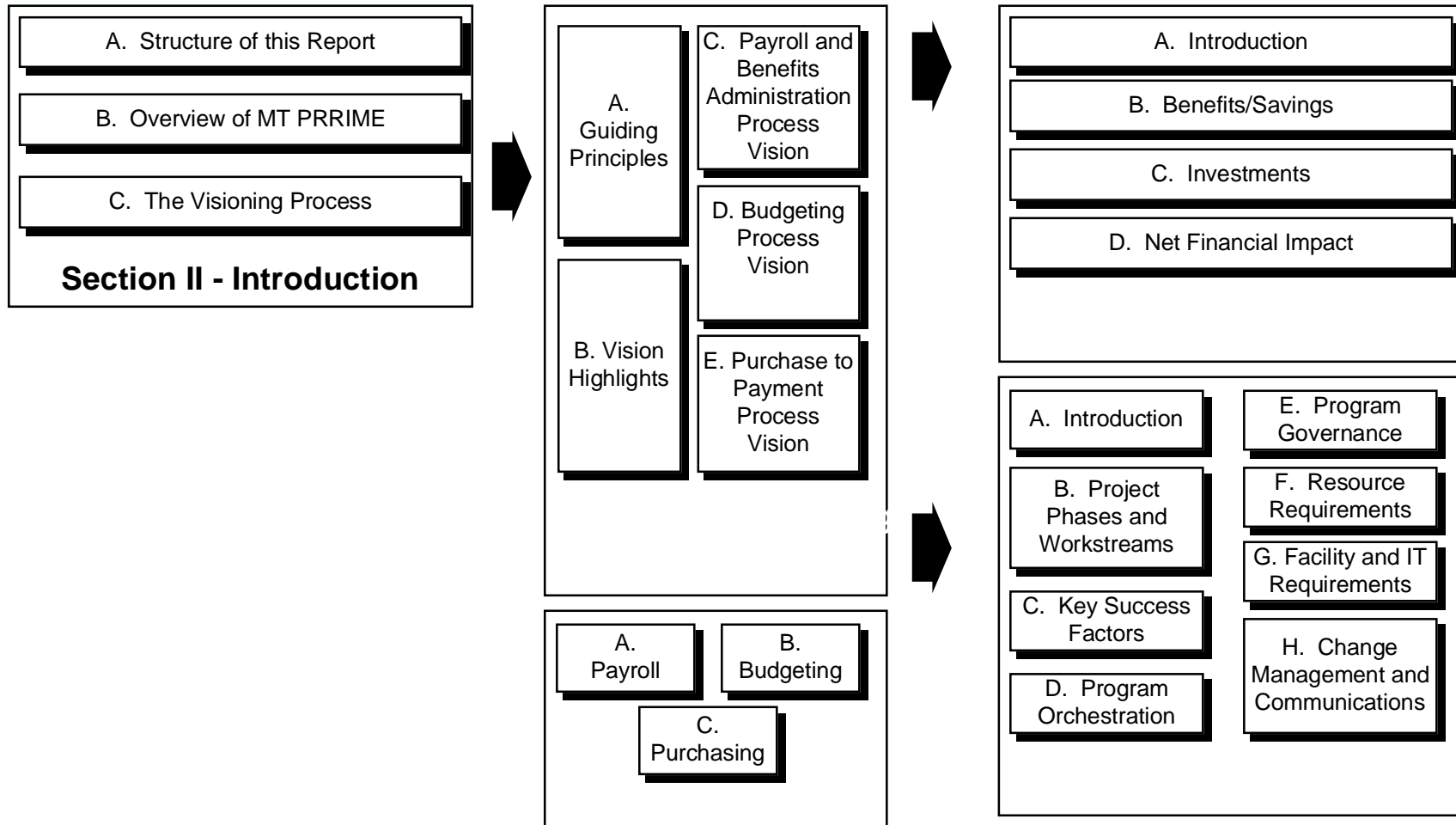




Section I - Executive Summary

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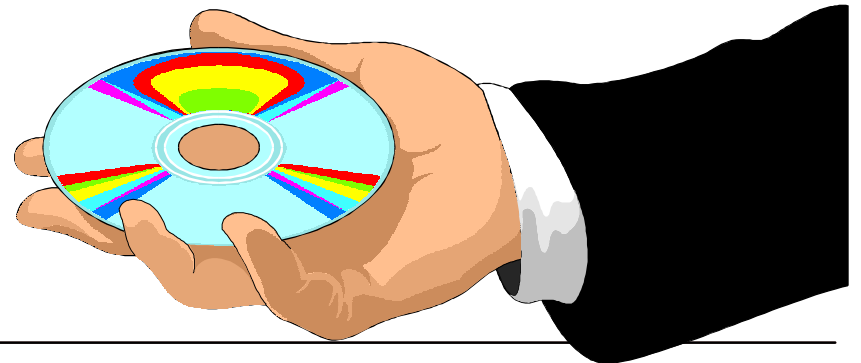
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I. Executive Summary

A. Introduction

- The State of Montana presently operates a suite of mainframe-based financial, human resources and asset management applications. These systems , many of which are agency specific, were built 20-25 years ago, are not Year 2000 compliant, and are failing to meet the business needs of State agencies. Senate Joint Resolution 23 represents the Montana legislature's decision to reengineer Montana's information management environment.
- The intention of MT PRRIME is not simply to automate existing processes but to also redesign those processes to better serve its customer and the citizens of Montana.
- This resulted in the development of visions for selected processes in the areas of payroll and benefits administration, budgeting and purchase to payment. These processes support most aspects of state operations and represent a significant amount of resources.
- The visions include descriptions of the new processes, performance expectations and a refined business case. The visions will also be used to guide further redesign efforts, system selection, and systems implementation.





I. Executive Summary

B. Emerging MT PRRIME VISION

- Vision statements for these processes include faster, more streamlined processes which would improve service delivery to consumers and result in significant savings opportunities. The benefits to customers of processes are also significant. Opportunities to perform higher value added activities by state employees are described and increased challenge and job satisfaction will result.
- The vision highlights common to all three processes are as follows:

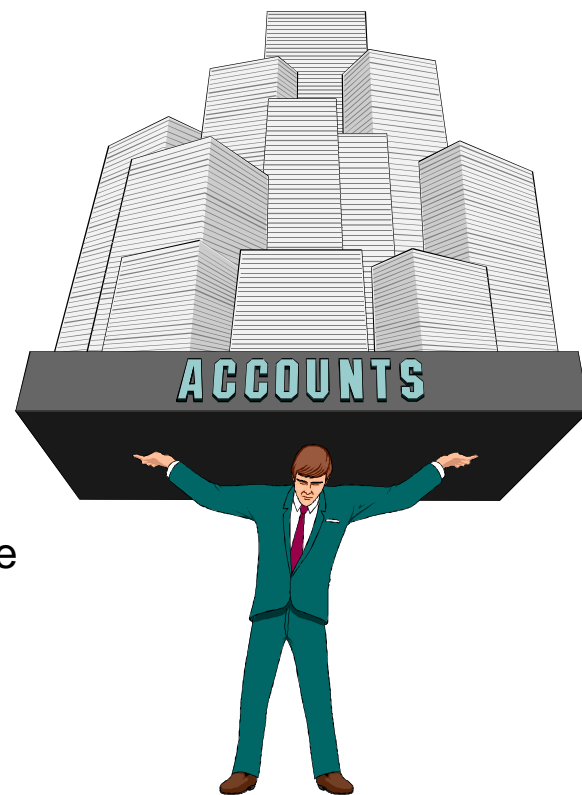
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- A large, light gray starburst graphic with a black outline, containing a list of vision points. The starburst has multiple points of varying lengths, creating a jagged, star-like shape.
- * A shift from control to empowerment and acceptability;
 - * Enhanced customer focus;
 - * Increased efficiency and consolidation of transaction processing;
 - * Enhanced value added services from administrative service organizations;
 - * Management of risk by exception rather than avoidance of all risk;
 - * Agency responsibility for the management of their operations, within a strengthened and consistent statewide administrative framework;
 - * Process improvement changes extending across all agencies;
 - * Significant improvements to the information technology infrastructure; and,
 - * Integrated information that facilitates better decision-making.



I. Executive Summary

Highlights of the specific process visions are outlined below:

- The Payroll and Benefits Administration vision incorporates the use of a shared services center to improve the flow of time/benefit information to the development of payroll services. Increased use of technology for time and attendance capture as well as transmission to the bank are also considered. Numerous approvals and check points are eliminated which will improve service to state employees.
- The Budgeting vision incorporates the concept of a strategic plan and performance metrics in the development of the budget. Value added analysis and revenue enhancement opportunities are to be incorporated by the agencies in the development of the budget to ensure the best use of state resources in the delivery of service to the public.
- The Purchase to Payment vision incorporates two different approaches for low value and high value procurement. Employees are given extensive authority to purchase low value items. Higher dollar items are procured using the advice and expertise of a central procurement agency. In all cases the state receives the maximum value for all of its purchases.





I. Executive Summary

C. Summary Business Case

- Non-Quantifiable Benefits:

- * Many of the benefits associated with MT PRRIME are not quantifiable due to their cross-agency nature or intangible impacts. These benefits will result from the full implementation of MT PRRIME.

- **Improved service to customers** - One of the most important benefits but the hardest to quantify is the provision of timely, accurate and relevant information when and where it is needed, to support better decision making. Shorter cycle times and user-friendly processes will also result in improved customer satisfaction.
 - **Empowered employees** - Employees will be delegated the appropriate authority levels to allow them to carry out their jobs faster and easier, without undue interference. This increased emphasis on trust should decrease frustration levels and improve employee morale.
 - **An enterprise perspective** - New processes and systems will support a statewide perspective. This perspective will reduce the costs of duplication, improve communication and enhance accountability and promote longer term and broader management practices.
 - **Reduced paper burden** - Increased automation and the use of online edits and reporting will significantly reduce the use and storage of paper by state employees. This will also facilitate fewer handoffs and levels of approval.
 - **Improved sharing of information** - Agencies will no longer duplicate core information and this information will be easily shared.

- Quantifiable Benefits:

- * The business case analysis indicates an annual projected savings of between \$15 to \$20 million.





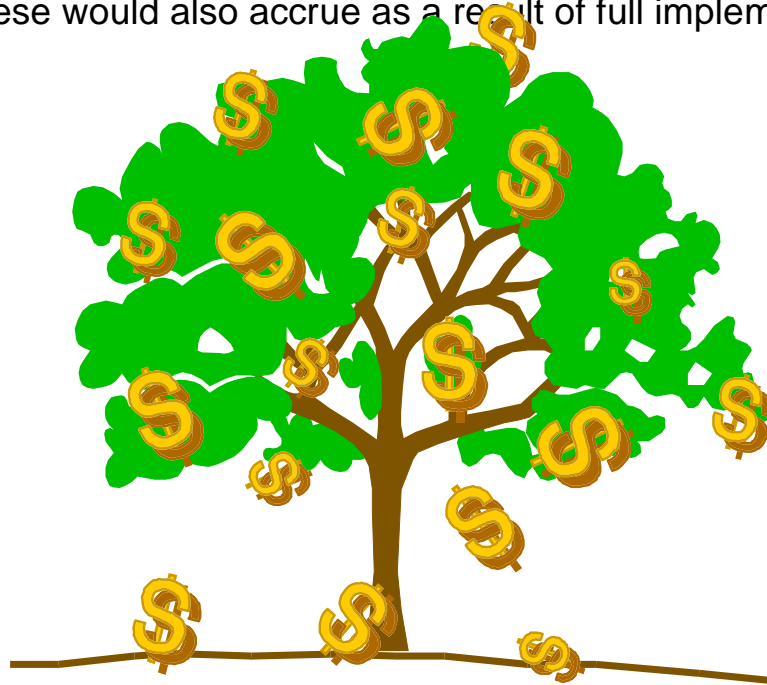
I. Executive Summary

- Investments:

- * MT PRRIME investments have been forecast at \$16 million for the implementation of the Enterprise Application System (EAS). An additional \$4 million has been identified for the purchase of additional technologies and the investment in training necessary to support full implementation.

- Net Financial Impact

- * Once MT PRRIME is fully implemented, annual savings will quickly payback the original investment. In addition, benefits and savings associated with other process areas have not been identified and these would also accrue as a result of full implementation.





I. Executive Summary

D. Implementation Considerations

Careful consideration must be given to the implementation so that the benefits of the reengineered processes are achieved in parallel with system implementation. A project team structure of approximately 29 employees and a comparative number of consulting resources have been committed for an 18 month period. Other elements to be considered in order to achieve a successful implementation include:

- **Change Management** - Significant change will be experienced and must be actively addressed for implementation to be fully successful. Strategies to be addressed by the change management plan include the redesign, transition, and ultimate transformations of processes, systems, people and structures, from the current to the future environment.
- **Communication** - As a large project, MT PRRIME will impact many if not all of the State's employees. A broad communications plan ensuring that the progress of change is communicated to all employees is necessary. Strategies to overcome resistance must be developed and a communication plan and activities will play an important role in gaining support for the implementation of change.
- **Program Orchestration** - A program master plan will be developed to identify project activities and to ensure that the project timeline is respected and that significant milestones are achieved according to the plan. Implementation is bounded by the requirement to address the Year 2000 issue which requires a tight schedule that must be managed accordingly. Support will also be provided to process teams in the areas of program management, process reengineering support, change management and communication, human resources, information management and program control.

